

ITEL
CORPORATION
TRANSPORTATION SERVICES GROUP

9276
RECORDATION NO. Filed & Recorded

MAR 13 1978 -2 29 AM

INTERSTATE COMMERCE COMMISSION

RECEIVED
MAR 13 2 23 PM '78
CERTIFICATION UNIT

March 10, 1978

Hon. H. G. Homme
Acting Secretary,
Interstate Commerce Commission
Washington, D. C. 20423

Dear Sir:

Enclosed for filing with and recording by the Interstate Commerce Commission are an original and five counterparts of a Lease Agreement dated as of December 10, 1975, between SSI Rail Corp., Two Embarcadero Center, San Francisco, California, as Lessor, and Vermont Railway, Inc., 267 Battery Street, Burlington, Vermont, as Lessee, covering the following railroad equipment:

50 70-Ton, 50'6" Boxcars (AAR Mechanical Designation XM), bearing identifying numbers VTR 3501 to VTR 3550, both inclusive. Identifying marks on the foregoing equipment: "Owned by a Bank or Trust Company under a Security Agreement filed under the Interstate Commerce Act, Section 20c."

100 70-Ton, 50'6" Boxcars (AAR Mechanical Designation XM), bearing identifying numbers VTR 4000 to VTR 4099, both inclusive. Identifying marks on the foregoing equipment: "Owned subject to a Security Agreement filed under the Interstate Commerce Act, Section 20c."

40 70-Ton, 50'6" Boxcars (AAR Mechanical Designation XM), bearing identifying numbers VTR 4100 to VTR 4139, both inclusive. Identifying marks on the foregoing equipment: "McDonnell Douglas Finance Corporation, owner lessor under a lease agreement filed and recorded with the Interstate Commerce commission pursuant to Section 20(c) of the Interstate Commerce Act."

Also enclosed is this Company's check in the sum of \$50.00, payable to the Interstate Commerce Commission, being the prescribed fee for filing and recording the foregoing document.

8-072A257
MAR 13 1978
Fee \$ 50.00

TWO EMBARCADERO CENTER • SAN FRANCISCO, CALIFORNIA 94111 • (415) 983-0123

SSI RAIL

SSI NAVIGATION


SSI CONTAINER

ICC Washington, D. C.

Mr. Homme
March 10, 1978
Page 2.

Please return all additional copies of the enclosed counterparts not required by the Interstate Commerce Commission to David Schwartz, Esq., of Sullivan and Worcester, who will be delivering this letter on our behalf.

Very truly yours,



Martin D. Goodman
Vice President-Legal Services

MDG:md
Enc.

Interstate Commerce Commission
Washington, D.C. 20423

3/13/78


OFFICE OF THE SECRETARY

Martin D. Goodman
ITEL Corp.
Two Embarcadero Center
San Francisco, Calif. 94111

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on **3/13/78** at **2:20pm**,
and assigned recordation number(s) **8457-X, 8709-C & 9279**

Sincerely yours,


H.G. Homme, Jr.
Acting Secretary

Enclosure(s)

SE-30-T
(6/77)



RECORDATION NO. 3279 Filed & Recorded

MAR 13 1978 -2 22 AM

INTERSTATE COMMERCE COMMISSION

LEASE AGREEMENT

THIS LEASE AGREEMENT, made as of this 19th day of March, 1978, between SSI RAIL CORP., a Delaware corporation, Two Embarcadero Center, San Francisco, California 94111 ("SSI") as Lessor and Vermont Railway, Inc. a corporation (the "Lessee"), as Lessee.

1. Scope of Agreement

A. SSI agrees to lease to Lessee, and Lessee agrees to lease from SSI, a minimum of one hundred (100) boxcars of the types and descriptions as set forth in any lease schedules executed by the parties concurrently herewith or from time to time hereafter and made a part of this Agreement. The scheduled items of equipment are hereinafter called collectively the "Boxcars". The word "Schedule" as used herein includes the Schedule executed concurrently herewith and all additional Schedules and amendments thereto whether for Boxcars or other railroad equipment, each of which when signed by both parties shall be a part of this Agreement.

B. It is the intent of the parties of this Agreement that SSI shall at all times be and remain the lessor of all scheduled Boxcars. Lessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and that it will take such action and execute such documents as may be necessary to accomplish this intent.

2. Term

A. This Agreement shall remain in full force until it shall have been terminated as to all of the Boxcars. The term of a lease with respect to each Boxcar shall be for fifteen (15) years commencing upon the date of delivery of such Boxcar as set forth in Section 3A hereof.

B. If this Agreement has not been earlier terminated and no default has occurred and is continuing, the lease term with respect to each Boxcar shall be automatically extended for not more than five consecutive periods of twelve months; provided, however, that SSI or Lessee may by written notice delivered to the other not less than twelve months prior to the end of the initial lease term or any extended lease term for any scheduled Boxcar terminate this Agreement.

3. Supply Provisions

A. SSI will inspect each Boxcar tendered by the manufacturer for delivery to Lessee. If the Boxcar conforms to the specifications of the equipment ordered by SSI, and to all applicable governmental regulatory specifications, and this Agreement has not been terminated, SSI will accept delivery thereof at the manufacturer's facility and shall notify Lessee in writing of such acceptance. The Boxcars shall be deemed delivered to Lessee upon acceptance by SSI. The Boxcars shall be moved to Lessee's railroad line at no cost to Lessee as soon after acceptance by SSI as is consistent with mutual convenience and economy. Due to the nature of railroad operations in the United States, SSI can neither control nor determine when the Boxcars leased hereunder will actually be available to Lessee for its use on its railroad tracks. Notwithstanding that Lessee may not have immediate physical possession of the Boxcars leased hereunder, Lessee agrees to pay to SSI the rental charges set forth in this Agreement. To move the Boxcars to Lessee's railroad line and insure optimal use of the Boxcars after the first loading of freight for each Boxcar on the railroad line of Lessee (the "initial loading"), SSI agrees to assist Lessee in monitoring Boxcar movements and, when deemed necessary by Lessee

and SSI, to issue movement orders with respect to such Boxcars to other railroad lines in accordance with ICC and AAR interchange agreements and rules.

B. Lessee agrees that so long as it shall have on lease one or more type of Boxcar, it shall not lease boxcars from any other party unless it shall have leased the minimum 100 Boxcars required by this Agreement. Once the minimum 100 Boxcars shall have been leased by Lessee, it shall then not lease boxcars from any other party unless it shall have given SSI at least three (3) months' prior written notice of its desire to lease boxcars similar to the type on lease and SSI shall then have the opportunity to lease such boxcars to Lessee subject to the terms and conditions of this Agreement and manufacturer's delivery schedules and at terms not less favorable to Lessee than that offered by such other parties. The foregoing, however, shall not be deemed to prohibit Lessee from leasing from other parties if SSI cannot equal the lease terms offered by such other parties. Notwithstanding the purchase of boxcars or the leasing or direct interchange of boxcars with other parties, Lessee shall give preference to SSI and shall load the Boxcars leased from SSI prior to loading boxcars purchased by Lessee subsequent to the date of this Agreement or from such other parties or interchanged with railroads; provided, however, that this shall in no event prevent or prohibit Lessee from fulfilling its obligations to provide transportation and facilities upon reasonable request therefor to shippers on its railroad tracks.

C. Additional Boxcars may be leased from SSI by Lessee only upon the mutual agreement of the parties hereto. Upon such agreement, such additional Boxcars shall be identified in Schedules to this Agreement and shall benefit from and be subject to this Agreement upon execution of the Schedules by SSI and Lessee.

4. Railroad Markings and Record Keeping

A. SSI agrees that on or before delivery of the Boxcars to Lessee, the Boxcars may be lettered, in addition to the logo of SSI and the railroad markings of Lessee, with the name and/or other insignia used by Lessee. Such name or insignia shall comply with all applicable regulations and shall be affixed to the Boxcars in the space directly above Lessee's reporting marks, with a width not greater than seven feet.

B. Lessee shall prepare all documents for filing relating to the registration, maintenance and record keeping functions normally performed by Lessee with respect to the Boxcars and shall perform all record keeping functions related to the use of the Boxcars by Lessee and other railroads in accordance with AAR railroad interchange agreements and rules until such time as the total number of Boxcars leased hereunder exceeds the total number of Boxcars owned or leased from others by Lessee. Thereafter all record keeping shall be performed by SSI. Such matters shall include but are not limited to the preparation of the following documents: (i) appropriate AAR interchange agreements with respect to the Boxcars including an application for relief from AAR Car Service Rules 1 and 2; (ii) registration for each Boxcar in the Official Railway Equipment Register and the Universal Machine Language Equipment Register; and (iii) such reports as may be required from time to time by the ICC and/or other regulatory agencies with respect to the Boxcars.

C. Lessee shall register each and every Boxcar leased hereunder in the Official Railway Equipment Register and the Universal Machine Language Equipment Register. Correspondence from railroads using such Boxcars shall be addressed to Lessee until such time as SSI shall perform the record keeping functions, whereupon such correspondence shall be sent to such address as SSI shall select.

D. All record keeping performed by Lessee hereunder and all record of payments, charges and correspondence related to Scheduled Boxcars shall be separately recorded and maintained by Lessee in a form suitable for reasonable inspection by SSI from time to time during regular business hours of Lessee. Lessee shall supply SSI with such reports regarding the use of Boxcars by Lessee on its railroad line as SSI may reasonably request.

5. Maintenance, Taxes and Insurance

A. SSI will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each Boxcar during its lease term and any extension thereof, including but not limited

to repairs, maintenance and servicing unless the same was occasioned by the fault of Lessee while a Boxcar was in the physical possession of Lessee. Lessee shall be responsible to inspect all Boxcars interchanged to it to insure that such Boxcars are in good working order and condition and shall be liable to SSI for any repairs required for damage not noted at the time of interchange. Lessee hereby transfers and assigns to SSI for and during the lease term of each Boxcar all of its right, title and interest in any warranty in respect to the Boxcars. All claims or actions on any warranty so assigned shall be made and prosecuted by SSI at its sole expense and Lessee shall have no obligation to make any claim on such warranty. Any recovery under such warranty shall be made payable to SSI. All proceeds from such recovery shall be used to repair or replace the Boxcars.

B. Lessee may make minor repairs to facilitate continued immediate use of a Boxcar, but shall not otherwise make any alterations, improvements or additions to the Boxcars without SSI's prior written consent. If Lessee makes an alteration to any Boxcar without SSI's prior written consent, Lessee shall be liable to SSI for any revenues lost due to such alteration. Title to any such alteration, improvement or addition occurring in the course of or as a result of normal and customary maintenance shall be and remain with SSI.

C. SSI shall make or cause to be made such inspections of, and maintenance and repairs to, the Boxcars as may be required. Upon request of SSI, Lessee shall perform any necessary maintenance and repairs to Boxcars on Lessee's railroad tracks as may be reasonably requested by SSI. SSI shall also make, at its expense, all alterations, modifications or replacement of parts, as shall be necessary to maintain the Boxcars in good operating condition throughout the term of the lease of such Boxcars.

D. Lessee will at all times while this Agreement is in effect and at its own expense, cause to be carried and maintained insurance with respect to all Boxcars subject hereto, and property damage and public liability insurance in amounts and against risks customarily insured against by railroad companies on similar equipment. The insurance required by this Section 5D may be satisfied by a self-insurance program acceptable to SSI and maintained by Lessee in accordance with sound actuarial principles. Lessee will furnish SSI concurrently with the execution hereof and thereafter at intervals of not more than 12 calendar months, with a detailed report signed by an independent insurance broker with respect to the insurance carried on the Boxcars together with the opinion of such brokers as to its compliance with the provisions of this Section 5D. Lessee will cause such firm to agree to advise SSI promptly of any lapse of any such insurance or of any default of payment of any premium and of any other act or omission of Lessee of which it has knowledge which might, in its opinion, invalidate or render unenforceable, in whole or in part, any insurance on the Boxcars. All insurance shall be taken out in the name of Lessee and SSI (or its assignee) as their interests may appear. The policies or certificates shall provide that there shall be no recourse against SSI for the payment of premiums, and shall provide for at least ten business days' prior written notice to be given to SSI by the underwriters in the event of cancellation. If the Lessee shall default in the payment of any premium in respect of any such insurance policies, SSI may, but shall not be obliged to, pay such premium, and if SSI does so, the Lessee shall repay the amount thereof to SSI on demand.

E. SSI agrees to reimburse Lessee for all taxes, assessments and other governmental charges of whatsoever kind or character paid by Lessee relating to each Boxcar and on the lease, delivery or operation thereof which may be accrued, levied, assessed or imposed during the lease term or which remain unpaid as of the date of delivery of such Boxcar to Lessee, except taxes on net income imposed on Lessee. SSI and Lessee will comply with all state and local laws requiring the filing of ad valorem tax returns on the Boxcars. SSI shall review all tax returns prior to filing.

6. Rental Charges

A. Lessee agrees to pay the following rental charges to SSI for the use of SSI's Boxcars:

(i) SSI shall receive ~~all of the demurrage paid by shippers using SSI's Boxcars and~~ all of the mileage charges and car hire revenues (including both straight and incentive per diem) payable to Lessee by other railroad companies if the utilization of all of the Boxcars on an aggregate basis for each calendar year shall be equal to or less than 90 per cent. For the purpose of this Agreement, utilization of the Boxcars shall be determined by a fraction, the numerator of which is the aggregate number of days in each calendar year that per diem is earned on the Boxcars, commencing from the initial loading, and the denominator of which is the aggregate number of days in each year that the Boxcars are on lease to Lessee, commencing from the initial loading. In addition, SSI will receive, as additional rental, all revenues earned by the Boxcars prior to their initial loading.

(ii) In the event the utilization exceeds 90 percent in any calendar year, SSI shall receive an amount equal to the SSI Base Rental plus an amount equal to one-half of the ~~demurrage and~~ revenues earned in excess of the SSI Base Rental. For the purpose of this Agreement, SSI Base Rental shall be an amount equal to the ~~demurrage plus~~ total mileage charges and car hire revenues for the calendar year multiplied by a fraction, the numerator of which is 90 percent and the denominator of which is the utilization for such calendar year. (The above determination of SSI Base Rental insures that Lessee will, if the utilization is greater than 90 percent in any calendar year, receive one-half of all the ~~demurrage and~~ mileage and car hire revenues earned by Lessee in excess of the SSI Base Rental.)

(iii) The rental charges payable to SSI by Lessee shall be paid from the monies received by Lessee in the following order until SSI receives the amounts due it pursuant to this Section 6: (1) incentive car hire payments; (2) straight car hire payments and (3) mileage charges.

B. The calculations required above shall be made within three months after the end of each calendar year. However, since the parties desire that rental payments be made currently so that SSI may meet its financial commitments, Lessee shall pay to SSI on the fifth business day after receipt of any car hire settlement, the full amount of such settlement with respect to any Boxcar leased hereunder. Further, since the parties desire to determine on a quarterly basis the approximate amount of the rental payment due SSI, SSI shall within three months after the end of each calendar quarter, calculate on a quarterly basis rather than a yearly basis, the amount due if pursuant to this section. Any amounts payable pursuant to the preceding sentence shall be paid promptly following such calculation, provided, however, that following each cumulative quarterly calculation, any amount paid to either party in excess of the amounts required by the yearly calculation shall be promptly refunded to the appropriate party.

C. In the event the utilization rate in any calendar quarter is less than 87.5 percent, SSI may, at its option and upon not less than 30 days prior written notice to Lessee, terminate this Agreement.

D. SSI may, at its option, terminate this Agreement if the ICC shall, at any time, (1) issue an order reducing incentive per diem for Boxcars on an annual basis to three months or less/ or (2) determine that Lessee may not apply its net credit balance from incentive per diem settlements in payment of the rental charges set forth in this section.

E. If any Boxcar remains on Lessee's railroad tracks for more than seven days, SSI may, at its option and upon not less than 24 hours prior written notice, terminate this Agreement as to such Boxcar and withdraw such Boxcar from Lessee's railroad tracks, except when such Boxcar is awaiting its initial loading. If any such Boxcar remains on Lessee's railroad tracks more than seven days because Lessee has not given preference to SSI's Boxcars as specified in Section 3B, Lessee shall be liable to SSI for an amount equal to the car hire revenues Lessee would have earned if such Boxcars were in the physical possession and use of another railroad for the entire period after the expiration of seven days.

7. Possession and Use

A. So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Boxcars in accordance with the terms of this Agreement* without a commensurate increase 4

in straight per diem or other revenues available to both SSI and Lessee

ment and in the manner and to the extent Boxcars are customarily used in the railroad freight business. Lessee agrees that to the extent it has physical possession and can control use of the Boxcars, the Boxcars will at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same may be located and in compliance with all lawful acts, rules and regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either SSI or Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner at the expense of the contesting party.

B. Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Boxcars or any interest therein or in this Agreement or Schedule thereto. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrances, security interest, or claim if the same shall arise at any time.

8. Default Remedies Upon Default

A. The occurrence of any of the following events shall be events of default:

(i) The nonpayment by Lessee of any sum required hereunder to be paid by Lessee within ten days after notice thereof;

(ii) The default by Lessee under any other term, covenant, or condition of this Agreement which is not cured within ten days after notice thereof from SSI.

(iii) Any affirmative act of insolvency by Lessee, or the filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy reorganization, insolvency or moratorium law against Lessee that is not dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment.

(v) The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency which substantially impairs Lessee's capacity to fulfill its performance under this Agreement. W

B. Upon the occurrence of any event of default, SSI may, at its option, terminate this Agreement and may

(i) Proceed by appropriate court action to enforce performance by Lessee of this Agreement or to recover damages for a breach thereof (and Lessee agrees to bear SSI costs and expenses, including reasonable attorneys' fees, in securing such enforcement), or

(ii) By notice in writing to Lessee, terminate Lessee's right of possession of the Boxcars, whereupon all right and interest of Lessee in the Boxcars shall terminate; and thereupon SSI may by its agents enter upon any premises where the Boxcars may be located and take possession of them and henceforth hold, possess and enjoy the same free from any right of Lessee. SSI shall nevertheless have a right to recover from Lessee any and all rental amounts which under the terms of this Agreement may then be due or which may have accrued to that date.

*

9. Termination

At the expiration or termination of this Agreement as to any Boxcars set forth on a Schedule attached hereto, Lessee will surrender possession of such Boxcars to SSI by delivering the same to SSI. The assembling, delivery, storage and transporting of the Boxcars shall be at the expense and risk of SSI. A Boxcar shall be deemed terminated and no longer subject to this Agreement upon the removal of Lessee's railroad markings from the Boxcar and the placing thereon of such markings

*(C) Upon the occurrence of breach of this Agreement by SSI, Lessee may proceed as in ~~(B)~~ W

B(1) W

as may be designated by SSI, either, at the option of SSI, (1) upon delivery of such Boxcars to Lessee's railroad line subsequent to termination of such Boxcar's lease term or (2) removal and replacement of the markings by another railroad line which has physical possession of the Boxcar at the time of or subsequent to termination of the lease term as to such Boxcar.

(i) If such Boxcars are on the railroad line of Lessee upon such expiration or termination or are subsequently returned to Lessee's railroad line, Lessee shall at its own expense within five working days remove Lessee's railroad markings from the Boxcars and place thereon such markings as may be designated by SSI. After the removal and replacement of markings, Lessee shall use its best efforts to load such Boxcars with freight and deliver them to a connecting carrier for shipment. Lessee shall provide up to ten days free storage on its railroad tracks for SSI or the subsequent lessee of any terminated Boxcar.

(ii) If such Boxcars are not on the railroad line of Lessee upon termination, all costs of assembling, delivering, storing, and transporting such Boxcars, except as provided above, to Lessee's railroad line or the railroad line of a subsequent lessee shall be borne by SSI.

10. Indemnities

SSI will defend, indemnify and hold harmless Lessee from and against (1) any and all loss or damage of or to the Boxcars, usual wear and tear excepted, unless occurring through the fault of Lessee while Lessee has physical possession of Boxcars and (2) any claim, cause of action, damage, liability, cost or expense (including legal fees and costs) to which the Boxcars may be subject or which may be incurred in any manner by or for the account of any such Boxcar (unless occurring through the fault of Lessee) relating to the Boxcars or any part thereof, including without limitation the construction, purchase, delivery of the Boxcars to Lessee's railroad line, ownership, leasing or return of the Boxcars, or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects, if any, are latent or are discoverable by SSI or Lessee).

11. Warranties and Covenants

Lessee represents, warrants and covenants that:

(i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power, authority and is duly qualified and authorized to do business wherever necessary, to carry out its present business and operations and to own or hold under lease its properties and to perform its obligations under this Agreement.

(ii) The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Boxcars pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

(iii) There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Lessee.

(iv) There is no fact which Lessee has not disclosed to SSI in writing, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Lessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of the Lessee or the ability of the Lessee to perform its obligations under this Agreement.

(v) Lessee has during the years 1964-1968 ~~neither leased nor~~ ^{NOT} purchased any boxcars.

the Boxcars may be located for the purpose of inspecting and examining the Boxcars to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately notify SSI of any accident connected with the malfunctioning or operation of the Boxcars including in such report the time, place and nature of the accident and the damage caused to property, the names and addresses of any persons injured and of witnesses and other information pertinent to Lessee's investigation of the accident. Lessee shall also notify SSI in writing within five (5) days after any attachment, tax lien or other judicial process shall attach to any Boxcar. Lessee shall furnish to SSI promptly upon its becoming available, a copy of its annual report submitted to the ICC and, when requested, copies of any other income or balance sheet statements required to be submitted to the ICC.

LESSEE'S
KNOWLEDGE
OF LAW

13. Miscellaneous

A. This Agreement and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not without the prior written consent of SSI assign this Agreement or any of its rights hereunder or sublease the Boxcars to any party, and any purported assignment or sublease in violation hereof shall be void.

B. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of this Agreement.

C. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Boxcars only and no joint venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Boxcars except as a lessee only.

D. No failure or delay by SSI shall constitute a waiver or otherwise affect or impair any right, power or remedy available to SSI nor shall any waiver or indulgence by SSI or any partial or single exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

E. This Agreement shall be governed by and construed according to the laws of the State of California.

F. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States Mail, postage prepaid, certified or registered, addressed to the president of the other party at the address set forth above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the year and date first above written.

ATTEST:

VERMONT RAILWAY, INC.

Jay H. Wulfe
Title: President

SSI RAIL CORPORATION

ATTEST:

[Signature]
Title:

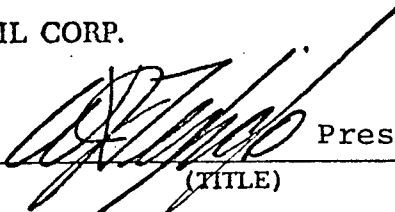
Date: December 4, 1975

EQUIPMENT SCHEDULE

SSI Rail Corp. hereby leases the following Boxcars to Vermont Railway, Inc. pursuant to that certain Lease Agreement dated as of 197..

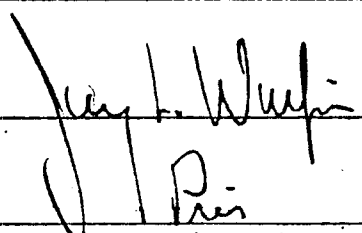
A.A.R. Mech. Desig.	Description	Numbers	Dimensions			Doors Width	No. of Cars
			Length	Inside Width	Height		
XM	50' cushioned underframe box-cars with 15" end-of-car cushioning	To be furnished by railroad	Exact	dimensions to be furnished by builder		10'	Minimum 100- up to 250, to be delivered at rate of 8 a day commencing mid-February 1976 by Berwick Forge & Fabricating

SSI RAIL CORP.

 President

(TITLE)

DATE: December 10, 1975

 Vice President

DATE: 2/4/75

STATE OF CALIFORNIA)
COUNTY OF SAN FRANCISCO) ss

On this 10th day of December, 1975, before me
personally appeared William J. Texido to me personally known,
who being by me duly sworn says that he is President
of SSI RAIL CORPORATION, that the seal affixed to the foregoing
instrument is the corporate seal of said corporation, that said instrument
was signed and sealed on behalf of said corporation by authority of its Board
of Directors, and they acknowledged that the execution of the foregoing
instrument was the free act and deed of said corporation.



Terri J. Stubblefield
Notary Public

STATE OF VERMONT)
COUNTY OF CHITTENDEN) ss

On this 4th day of December, 1975, before me
personally appeared Jay L. Wulfson to me personally known,
who being by me duly sworn says that he is President
of Vermont Railway, Inc., that the seal affixed to the foregoing
instrument is the corporate seal of said corporation by authority of its Board
of Directors, and they acknowledged that the execution of the foregoing
instrument was the free act and deed of said corporation.

Terrence M. Pohlman
Notary Public

JRE

March 25, 1976

Mr. Harold T. Filskov
Vice President & Gen. Manager
Vermont Railway, Inc.
267 Battery Street
Burlington, Vermont 05401

Dear Harold:

This letter is to serve as Amendment No. 1 to the Lease Agreement between SSI Rail Corp., of San Francisco, California, and the Vermont Railway, Inc., of Burlington, Vermont.

Effective March 1, 1976, the Lease Agreement is hereby amended as follows:

- 1) Section 4 D is amended by adding thereto the following sentences: "All maintenance or repair invoices received by Lessee shall be promptly paid and forwarded to SSI. Lessee will pay and deduct from the rental charges to be paid by Lessee to SSI under the Lease, all costs, expenses, fees or charges incurred in connection with maintenance repair bills.
- 2) Section 6 G is hereby amended by deleting the second sentence therefrom and substituting the following in lieu thereof, "However, since the parties desire that rental payments be made currently so that SSI may meet its financial commitments, Lessee agrees to pay SSI the amounts received from its car hire settlements in the manner set forth in Section 6 F."
- 3) The following Section 6 F is hereby added to the Lease Agreement:

"F. Since car hire settlements are not received until approximately 40 days after the end of the calendar month in which the Boxcars are off Lessee's railroad tracks and used by other railroad companies ('the earning month',) Lessee shall remit to SSI the amounts received from its car hire settlements as follows:

March 25, 1976

(i) Not later than the 55th day following an earning month, Lessee shall notify SSI of the total number of days that car hire revenues were earned on the Boxcars during such earning month and the mileage charges reported as earned by the Boxcars during such earning month or any prior month and shall remit to SSI all car hire revenues, all mileage charges and all penalty amounts received.

(ii) Lessee shall deliver to SSI on the next to the last working day of each month, with its authorization to draft a complete activity summary of monies collected and authorized to be drafted by SSI, in such form as shall be requested by SSI.

(iii) SSI may, without prejudice to any other remedy it may have, charge, as additional rental, a service charge at the rate of 10% per annum on any payment not timely received.

(iv) Lessee will use its best efforts to collect and remit to SSI all outstanding receivables."

Except as expressly modified by this Amendment No. 1, all terms, provisions and conditions of the Agreement remain in full force and effect.

Would you please signify your acceptance of this amendment by signing and returning the original and one copy to my attention in San Francisco.

AGREED AND ACCEPTED:

Vermont Railway, Inc.

By: H. T. Filskov
Vice President & Gen. Manager

Very truly yours,

William J. Texido
President

ATTEST:

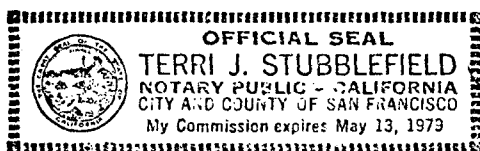
Rosalee L. Shreffell
Sarah J. White

ATTEST:

Maurice Hopper
Sheryl Knecht

Dated: March 25, 1976

On this 31st day of March, 196, before me personally appeared WILLIAM J. TEXIDO to me personally known, who being by me duly sworn says that he is PRESIDENT of SSI RAIL CORP., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Terri J. Stubblefield
Notary Public

STATE OF VERMONT)
COUNTY OF CHITTENDEN) SS

On this 25th day of March, 1976, before me personally appeared Harold T. Filskov to me personally known, who being by me duly sworn says that he is V. Pres. & Gen. Mgr. of Vermont Railway, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joseph M. Sullivan
Notary Public

ITEL RAIL

55 Francisco
San Francisco, California 94133
(415) 955-9090
Telex 34234

RECORDATION NO. *9279* Filed 1425

November 17, 1983

DEC 7 1983 -9 05 AM

INTERSTATE COMMERCE COMMISSION

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Ms. Mergenovich:

This is to request that you cross-index the Consolidated, Amended, and Restated Equipment Trust Agreement, dated as of January 1, 1982, which was filed under I.C.C. Recordation No. 14165, on September 20, 1983 at 3:00 p.m., with the following documents:

1. Lease between Itel Corporation, Rail Division and Apalachicola Northern Railroad, dated January 25, 1977 and filed under I.C.C. Recordation No. 8796, on April 27, 1977 at 12:45 p.m.
2. Lease between Itel Corporation, Rail Division and Arcata and Mad River Railroad, dated July 10, 1978, and filed under I.C.C. Recordation No. 10034, on January 19, 1979 at 2:10 p.m.
3. Lease between Itel Corporation, Rail Division and Atchison, Topeka and Santa Fe Railway Co., dated May 14, 1982, and filed under I.C.C. Recordation No. 13706, on July 26, 1982 at 1:45 p.m.
4. Lease between Itel Corporation, Rail Division and New Orleans Public Belt Railway, dated October 26, 1978, and filed under I.C.C. Recordation No. 10033, on January 19, 1979 at 2:10 p.m.
5. Lease between Itel Corporation, Rail Division and Atchison, Topeka and Santa Fe Railway Co., dated July 30, 1982, and filed under I.C.C. Recordation No. 13818, on October 26, 1982 at 12:40 p.m.

Ms. Agatha Mergenovich
November 17, 1983
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6. Lease between Itel Corporation, Rail Division and Cadiz Railroad, dated November 10, 1976, and filed under I.C.C. Recordation No. 8654, on January 10, 1977 at 2:05 p.m.
7. Lease between Itel Corporation, Rail Division and Camino, Placerville and Lake Tahoe Railroad Co., dated February 9, 1977, and filed under I.C.C. Recordation No. 8798 on April 27, 1977
8. Lease between Itel Corporation, Rail Division and Crab Orchard and Egyptian Railroad, dated June 21, 1978, and filed under I.C.C. Recordation No. 9936, on December 22, 1978 at 3:55 p.m.
9. Lease between Itel Corporation, Rail Division and Detroit, Toledo and Ironton Railway Co., dated March 10, 1981, and filed under I.C.C. Recordation No. 13077, on April 30, 1981 at 2:25 p.m.
10. Lease between Itel Corporation, Rail Division and East Camden and Highland, dated April 26, 1978, and filed under I.C.C. Recordation No. 9756, on October 11, 1978 at 2:45 p.m.
11. Lease between Itel Corporation, Rail Division and Green Bay and Western Railroad Company, dated October 21, 1981, and filed under I.C.C. Recordation No. 13554, on February 18, 1982 at 2:40 p.m.
12. Lease between Itel Corporation, Rail Division and Green Bay and Western Railroad Company, dated March 8, 1979, and filed under I.C.C. Recordation No. 10362, on May 10, 1979 at 2:00 P.m.
13. Lease between Itel Corporation, Rail Division and Maine Central Railroad Company, dated March 22, 1982, and filed under I.C.C. Recordation No. 13664, on June 16, 1982 at 10:10 a. m.
14. Lease between Itel Corporation, Rail Division and Maine Central Railroad Company, dated April 11, 1980, and filed under I.C.C. Recordation No. 11899, on June 11, 1980 at 11:25 a.m.
15. Lease between Itel Corporation, Rail Division and New Orleans Public Belt Railway, dated June 17, 1977, and filed under I.C.C. Recordation No. 8904, on July 26, 1977 at 9:15 a.m.

Ms. Agatha Mergenovich
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16. Lease between Itel Corporation, Rail Division and Port Huron and Detroit Railroad Co., dated February 22, 1977, and filed under I.C.C. Recordation No. 8799 on April 27, 1977 at 12:45 p.m.

17. Lease between Itel Corporation, Rail Division and Rahway Valley Railroad, dated September 19, 1978, and filed under I.C.C. Recordation No. 10111, on February 14, 1979 at 12:30 p.m.

18. Sublease between Texas Mexican Railroad Co. and Soo Line Railroad, dated April 11, 1983, and filed under I.C.C. Recordation No. 14066, on June 21, 1983 at 3:00 p.m.

19. Lease between Itel Corporation, Rail Division, and Soo Line Railroad Co., dated February 17, 1983, and filed under I.C.C. Recordation No. 14002 on April 11, 1983 at 1:05 p.m.

20. Lease between Itel Corporation, Rail Division and Texas Mexican Railroad Co., dated March 15, 1978, and filed under I.C.C. Recordation No. 9778, on October 17, 1978 at 3:30 p.m.

21. Lease between Itel Corporation, Rail Division and Toledo, Peoria and Western Railroad Co., dated September 10, 1980, and filed under I.C.C. Recordation No. 12314 on October 16, 1980 at 2:40 p.m.

22. Lease between Itel Corporation, Rail Division and Valley and Siletz Railroad, dated July 26, 1978, and filed under I.C.C. Recordation No. 10032 on January 19, 1979 at 2:10 p.m.

23. Lease between Itel Corporation, Rail Division and Providence and Worcester Co., dated March 13, 1978, and filed under I.C.C. Recordation No. 9924, on December 19, 1978 at 2:45 p.m.

24. Assignment between Providence and Worcester Company and Warwick Railway Corp., dated April 24, 1980, and filed under I.C.C. Recordation No. 9924-E, on October 17, 1980 at 12:45 p.m.

25. Lease between Itel Corporation, Rail Division and Arkansas and Louisiana Missouri Railroad, dated June 14, 1977, and filed under I.C.C. Recordation No. 9049, on October 21, 1977 at 1:05 p.m.

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November 17, 1983
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26. Lease between Itel Corporation, Rail Division and Atlanta and St. Andrews Bay Railway Co., dated May 5, 1978, and filed under I.C.C. Recordation No. 9703, on September 22, 1978 at 2:15 p.m.

27. Lease between Itel Corporation, Rail Division and Greenville and Northern Railroad Co., dated August 6, 1976, and filed under I.C.C. Recordation No. 9102, on November 25, 1977 at 1:15 p.m.

28. Lease between Itel Corporation, Rail Division and Marinette, Tomahawk and Western Railroad Co., dated December 23, 1977, and filed under I.C.C. Recordation No. 9406, on May 26, 1978 at 2:30 p.m.

29. Lease between Itel Corporation, Rail Division and North Louisiana and Gulf Railroad Co., dated July 21, 1977, and filed under I.C.C. Recordation No. 9073, on November 10, 1977 at 2:20 p.m.

30. Lease between Itel Corporation, Rail Division and Escanaba and Lake Superior Railroad Company, dated December 22, 1976, and filed under I.C.C. Recordation No. 8653, on January 10, 1977 at 2:20 p.m.

31. Lease between SSI Rail Corp. and Lake Erie, Franklin and Clarion Railroad, dated January 3, 1977, and filed under I.C.C. Recordation No. 8668, on January 21, 1977 at 2:30 p.m.

32. Lease between SSI Rail Corp. and Minnesota, Dakota and Western Railroad, dated July 26, 1978, and filed under I.C.C. Recordation No. 10129, on February 22, 1979 at 11:40 a.m.

33. Lease between SSI Rail Corp. and Pearl River Valley Railroad Co., dated March 24, 1976, and filed under I.C.C. Recordation No. 8487-A, on August 27, 1976 at 1:30 p.m.

34. Lease between SSI Rail Corp. and Sierra Railroad Co., dated September 27, 1978, and filed under I.C.C. Recordation No. 10152, on February 26, 1979 at 2:30 p.m.

35. Sublease between McCloud River Railroad Co. and Camino, Placerville and Lake Tahoe Railroad Co., dated January 24, 1980 and filed under I.C.C. Recordation No. 8819-G, on May 5, 1980 at 3:15 p.m.

36. Lease between SSI Rail Corp., and McCloud River Railroad Co., dated April 20, 1977, and filed under I.C.C. Recordation No. 8819, on May 11, 1977 at 1:15 p.m.
37. Lease between SSI Rail Corp., and City of Prineville Railway Co., dated April 26, 1977, and filed under I.C.C. Recordation No. 8896 on July 20, 1977.
38. Lease between Itel Corporation, Rail Division and Kyle Railways, Inc., dated February 17, 1982, and filed under I.C.C. Recordation No. 13666, on June 17, 1982 at 10:50 a.m.
39. Sublease between Kyle Railways, Inc. and Natchee Trace Railroad, dated February 18, 1982, and filed under I.C.C. Recordation No. 13666-B, on June 17, 1982 at 10:50 a.m.
40. Sublease between McCloud River Railroad Co. and Sierra Railroad Co., dated August 29, 1980, and filed under I.C.C. Recordation No. 8819-N, on September 16, 1980 at 1:35 p.m.
41. Lease between SSI Rail Corp. and Terminal Railway of Alabama, dated April 4, 1977, and filed under I.C.C. Recordation No. 8797, on April 27, 1977 at 12:45 p.m.
42. Lease between SSI Rail Corp. and Toledo, Peoria and Western Railroad Co., dated January 12, 1977, and filed under I.C.C. Recordation No. 8676, on January 24, 1977 at 2:45 p.m.
43. Lease between Itel Corp. and Ashley, Drew and Northern Railway Co., dated March 29, 1977, and filed under I.C.C. Recordation No. 8837 on May 27, 1977.
44. Lease between SSI Rail Corp. and Corinth and Counce Railroad Company, dated April 29, 1977, and filed under I.C.C. Recordation No. 8838, on May 27, 1977 at 1:45 p.m.
45. Lease between Itel Corporation, Rail Division and Green Bay and Western Railroad Co., dated April 22, 1981, and filed under I.C.C. Recordation No. 13073, on April 30, 1981 at 10:50 a.m.
46. Lease between Itel and Meridian and Bigbee Railroad Company, dated June 1, 1977, and filed under I.C.C. Recordation No. 9072, on November 10, 1977 at 2:20 p.m.

47. Lease between Itel Rail and Apache Railway, dated June 1, 1976, and filed under I.C.C. Recordation No. 8709, on February 23, 1977 at 11:40 a.m.

48. Lease between Itel Corporation, Rail Division and Clarendon & Pittsford Railroad Co., dated October 18, 1976, and filed under I.C.C. Recordation No. 8658, on January 12, 1977 at 1:45 p.m.

49. Lease between Itel Corporation, Rail Division and FMC/Chemical Group, dated December 3, 1976, and filed under I.C.C. Recordation No. 8809-A, on May 11, 1977 at 1:15 p.m.

50. Lease between SSI Rail Inc., and Green Mountain Railroad Co., dated January 2, 1976, and filed under I.C.C. Recordation No. 9050, on October 21, 1977 at 1:05 p.m.

51. Lease between Itel Corporation, Rail Division and Hartford & Slocumb Railway Co., dated July 1, 1975, and filed under I.C.C. Recordation No. 9168, on January 9, 1978 at 2:05 p.m.

52. Lease between Itel Corporation, Rail Division and Lake Erie, Franklin and Clarion Railroad, dated January 3, 1977, and filed under I.C.C. Recordation No. 8853-A, on June 1, 1977 at 1:10 p.m.

53. Lease between Itel Corporation, Rail Division and McCloud River Railroad, dated April 20, 1983, and filed under I.C.C. Recordation No. 14029, on May 27, 1983 at 1:40 p.m.

54. Lease between Itel Corporation, Rail Division and Mississippi Export Railway Co., dated April 25, 1978 and filed under I.C.C. Recordation No. 9460, on June 27, 1978 at 8:50 a.m.

55. Lease between Itel Corporation, Rail Division and Sabine River and Northern Railroad Co., dated December 23, 1977, and filed under I.C.C. Recordation No. 9407, on May 26, 1978 at 2:30 p.m.

56. Lease between Itel Corporation, Rail Division and Valdosta Southern Railway Co., dated March 26, 1976, and filed under I.C.C. Recordation No. 8343-A on May 25, 1976 at 10:45 p.m.

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57. Lease between Itel Corporation, Rail Division and Valdosta Southern Railway Co., dated December 23, 1977, and filed under I.C.C. Recordation No. 9400, on May 26, 1978 at 2:30 p.m.

58. Lease between Itel Corporation, Rail Division and Vermont Railway Co., dated December 4, 1975, and filed under I.C.C. Recordation No. 9279 on March 13, 1978 at 2:20 p.m.

Enclosed is a check in the amount of \$580.00 covering the appropriate cross-indexing fees. If you have any questions please feel free to contact me at (415) 955-0547.

Sincerely,



Patricia Salas Pineda
Counsel

PSP:dmm
Enclosures

ITEL RAIL CORPORATION
INDEX TO CROSS-INDEXING
REQUESTED
IN LETTER OF NOVEMBER 17, 1983

Each ICC Recordation No. listed below to be cross-indexed to (1) Recordation No. 14165, and (2) all Recordation Nos. listed below to be cross-indexed under Recordation No. 14165.

<u>ICC RECORDATION NO.</u>	<u>PARAGRAPH NO. IN LETTER OF NOVEMBER 17, 1983</u>
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8676	42
8709	47
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8797	41
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8799	16
8809-A	49
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<u>ICC RECORDATION NO.</u>	<u>PARAGRAPH NO. IN LETTER OF NOVEMBER 17, 1983</u>
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9168	51
9279	58
9408	57
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9407	55
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9703	26
9756	10
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<u>ICC RECORDATION NO.</u>	<u>PARAGRAPH NO. IN LETTER OF NOVEMBER 17, 1983</u>
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14002	19
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